

1 get together the salary figures for the employees.

2 Q Okay. Let me turn your attention to a two-
3 page document entitled annual staffing costs, the cover
4 page and one page following it.

5 A Right.

6 Q You talked about the cost of employees, it
7 that the information you're referring to?

8 A Yes.

9 Q So you helped to prepare that information?

10 A Yes.

11 Q You and who else?

12 A Me and my husband. We had -- we did research
13 on what these various positions were being paid around
14 the country. We got information from various
15 broadcasting magazines and just simply by looking at
16 want ads to see what they were hiring people for and
17 kind of came up with some figures to fit our market.

18 Q And did you have any assistance from anyone
19 else?

20 A I would imagine that Mr. Honig had some input
21 into it as well as counsel.

22 Q Did Mr. Honig provide you a draft of this
23 document?

24 A He provided us with a shell of the
25 information that was needed. It came out of his

1 computer, but the input was mine and my husbands.

2 Q Did you discuss with anyone your testimony at
3 the deposition where you said you had no involvement in
4 preparation of the cost estimates?

5 A No.

6 Q You haven't discussed that with your husband
7 since the deposition?

8 A I didn't need to.

9 Q Mrs. Matthews, let me turn your attention to
10 Peaches Exhibit number 5, Page One of 65, the Peaches
11 Broadcasting Limited Partnership Agreement.

12 A In here?

13 Q Yes.

14 A You said Exhibit 5?

15 Q Exhibit 5.

16 A Okay. What page?

17 Q Page 1 of 65. See at the top, Peaches
18 Broadcasting Limited Partnership Agreement?

19 A Right.

20 Q Have you ever seen that document before?

21 A Yes.

22 Q Did you have any involvement in the
23 preparation of that document?

24 A Yes, I did.

25 Q What was your involvement in preparation of

1 that document?

2 A Mostly, it was input between my husband and
3 I. We sat down and we discussed the limited
4 partnership or what a limited partnership should be
5 about. After, of course, we got advice from counsel.
6 And we basically, on advice of counsel and with the
7 assistance of counsel, put this agreement together.

8 Q Okay. Let me turn your attention to Page
9 Nine of that document, more precisely -- well, it
10 begins at Page Nine. I'm going to ask you about
11 Section 4.01(c), which is actually on Page Ten. But
12 4.01 actually begins on Page Nine, if you want to
13 examine that as well.

14 A All right, but you're referring to C?

15 Q Yes.

16 A Do you want me to read it first?

17 Q Yes.

18 A All of it or just C?

19 Q Whatever you're comfortable with. I'm going
20 to ask you questions about C.

21 A Okay.

22 Q Looking at that paragraph 4.01(c), can you
23 tell me, in your understanding, what that paragraph
24 relates to?

25 A It relates to additional monies furnished by

1 a limited partner.

2 Q Okay. Is it your understanding that if a
3 limited partner is required to provide additional funds
4 to Peaches Broadcast Limited, that that limited partner
5 may choose to have those funds treated as either a
6 capital contribution or a loan?

7 A Yes, I understand that.

8 Q All right. Has, to your knowledge, any
9 limited partner provided loans to Peaches?

10 A To the partnership?

11 Q To Peaches partnership, that's right?

12 A Yes.

13 Q Peaches Broadcast Limited?

14 A Right.

15 Q And what limited partner would that be?

16 A Mr. Doss.

17 Q Okay. When you say Mr. Doss, you mean of
18 behalf of UCI?

19 A UCI, right.

20 Q All right. Have any documents been prepared
21 concerning that loan? Or are there any documents that
22 would identify that loan as having been made?

23 A Yeah. As having been made or --

24 Q Let me -- are there any documents related to
25 that?

1 A Yes.

2 Q To your knowledge, are there any documents
3 referring to the last sentence of paragraph 4.01(c),
4 which states, any additional capital contribution made
5 by a limited partner in the form of a loan shall be
6 secured by the assets of the partnership or the general
7 partner of its principles.

8 My question is have there been any documents
9 securing the loan by either the assets to the
10 partnership or the general partner or its principles?

11 A Yes.

12 Q Okay, and what document would that be?

13 A A promissory note.

14 Q Okay, fine. And how many promissory notes
15 have there been?

16 A I'm thinking three. There may have been one
17 more or one less, but I'm thinking three.

18 Q And did you sign those promissory notes?

19 A Yes.

20 Q And those promissory notes were between what
21 parties?

22 A It was between the general partner, Peaches
23 Production, I'm sorry, Peaches Broadcasting Limited and
24 UCI.

25 Q So it was between the limited partnership and

1 UCI.

2 A Right, the limited partnership and UCI, or
3 the general partner, I'm sorry. Peaches Limited is the
4 partnership.

5 Q The limited partnership.

6 A Right. So it was between us and UCI.

7 Q Okay. And when you say us, you mean Peaches
8 Broadcasting?

9 A Right.

10 Q Has -- who is the general partner of Peaches
11 Broadcast Limited?

12 A The general partner is Peaches Production
13 Group, Inc.

14 Q Okay. Has Peaches Production Group, Inc.
15 made any capital contributions to Peaches Broadcast
16 Limited?

17 A Yes.

18 Q Okay. As of this date, do you know the total
19 amount of those capital contributions?

20 A I know it's more than \$2,000.

21 Q Okay. What was the source of the funds for
22 the capital contributions made by Peaches Production
23 Group, Inc.?

24 A Funds that the company had. Fred and I had
25 money that we invested our own partnership. We were

1 the source.

2 Q You and your husband personally provided the
3 funds on behalf of Peaches Production Group, is that
4 correct?

5 A Yes.

6 Q What was the source of those funds, your
7 personal funds? Where --

8 A We're employed. We do have access to money
9 other than -- we're employed. It was our money.

10 Q So it would be from your earnings?

11 A Yes.

12 Q And where are you employed?

13 A Currently, I'm working for Sears and Roebuck.

14 Q And what Mr. -- where is Mr. Matthews
15 employed?

16 A He is working for our shares department in
17 the community affairs division.

18 Q Are those both full-time positions?

19 A Yes. Well, his is. Mine is at least 35 a
20 week, 35 hours a week.

21 Q Okay. Is that considered full-time at Sears?

22 A Yes. At Sears that's full-time.

23 Q And do you, in fact, usually work 35 hours a
24 week?

25 A Most weeks I do, yes.

1 Q Okay. Those weeks that you do not work 35
2 hours a week, approximately how many hours a week do
3 you work?

4 A No less than 30.

5 Q So, it would be fair to say that your time
6 commitment at Sears is between 30 and 35 hours a week?

7 A Yes.

8 Q Do you ever work more than 35 hours a week?

9 A No.

10 Q You have two children living with you, is
11 that correct?

12 A Correct.

13 Q And their ages are 12 and 17?

14 A Yes.

15 Q In your view, in terms of time commitment, as
16 between you and your husband, are you the principal
17 caretaker of your children?

18 A Well, at that age, they hardly need a
19 principal caretaker, but I think it's fair to say that
20 Fred and I truly do share the responsibilities for
21 them.

22 Q So time wise, it's a shared commitment?

23 A Yes.

24 Q Mrs. Matthews, let's turn to Page 12 of
25 Peaches Exhibit number 5.

1 Looking at Paragraph Four, I'm sorry, 5.01.
2 I'm going to ask you some questions about that
3 paragraph.

4 A I'm sorry, Exhibit Page or regular page?

5 Q Exhibit page, Exhibit 5, Page 14.

6 A Page 14.

7 Q I'm sorry. Exhibit 5, Page 14, Section 5.01,
8 that paragraph. Review that and I'll ask you a couple
9 of questions about it.

10 A All right.

11 Q Could you tell me, to your understanding,
12 what Section 5.01 means?

13 A It means that the general partner, which is
14 Peaches Limited, will receive no less than 25 percent
15 of monies involved, which includes profits, gains,
16 credits and losses of the partnership, 25 percent or no
17 less than 20.1 percent.

18 Q Okay. With respect to that 20.1 percent,
19 under what circumstances would the general partner on a
20 20.1 percent ownership interest in the partnership?

21 A To my understanding and it may not be a
22 complete understanding, but my understanding is the
23 only way we would have 20.1 percent, if for some
24 reason, 4.9 of it was sold or someone else invested
25 that much into our company.

1 Q Have you had any conversations with your
2 husband concerning selling that 4.9 percent?

3 A Yes.

4 Q Have you talked -- could you tell me what the
5 nature of those conversations was?

6 A We said that that was something that we would
7 not do.

8 Q Mrs. Matthews, how did it come to occur that
9 Mr. Wiseman was a limited partner in Peaches Broadcast
10 Limited?

11 A To my recollection of it, when we first
12 became aware that a station was available, of course,
13 already knowing David, I believe that we asked for his
14 advice and his input and if he could suggest some names
15 or companies of people that we could possibly get
16 interested in the station.

17 Q Are you saying that Mr. Honig suggested Mr.
18 Wiseman?

19 A I'm saying that Mr. Wiseman was on a list of
20 names that Mr. Honig suggested to us and we simply took
21 it from there.

22 Q Okay. Was this a written list?

23 A I'm not really sure.

24 Q You never saw a written list?

25 A No.

1 Q How did you come to know that there was a
2 list?

3 A I talked with Fred. It could have been
4 something as simple as getting the names from David and
5 writing them down himself.

6 Q Okay. When did you first learn that Mr.
7 Honig suggested Mr. Wiseman?

8 A I don't know. I really don't know a date of
9 anything. It had to be in '89, but I can't --

10 Q I'm not asking you when Mr. Honig suggested
11 Mr. Wiseman. I'm asking you when you learned of that
12 fact?

13 A It had to be the same year. He wouldn't have
14 suggested him in '88 and I didn't find out until '89.
15 I had to have found out around the same time that it
16 all was happening. There wasn't a three or four month
17 period before I found out.

18 Q Okay. But your testimony now is you're sure
19 that Mr. Honig suggested Mr. Wiseman's name.

20 A No, I'm saying that we spoke with David and
21 asked for his advice. I'm not sure, because I didn't
22 get the name myself from David.

23 Q So you don't know that Mr. Honig suggested
24 it?

25 A No, I do now.

1 Q All right. Fine. Do you know if Mr. Honig
2 suggested CBC Capital Corporation as a financing source
3 for your construction costs to fund your construction
4 costs?

5 A I would be reasonably sure that that was one
6 of the suggestions that he made.

7 Q Do you know?

8 A No, he didn't make it to me, so I don't know
9 for sure.

10 Q Okay. Do you know if Mr. Honig suggested UCI
11 as a potential limited partner for Peaches Broadcast
12 Limited?

13 A No, he did not suggest that. Fred already
14 had some knowledge of UCI. He had a little knowledge
15 of UCI himself. He may have discussed it with David.

16 Q Do you know the name of the parties that own
17 the proposed Peaches transmitter site?

18 A It's Mr. and Mrs. Boyd.

19 Q Have you ever spoken to either of them
20 concerning the proposed site?

21 A No, I have not.

22 MR. WINSTON: That's all, Your Honor.

23 JUDGE LUTON: Additional cross?

24

25

1 CROSS EXAMINATION

2 BY MR. HALAGAO:

3 Q Mrs. Matthews, I am Avelino Halagao,
4 presenting JEM Productions Limited Partnership. I have
5 a couple of questions.

6 You have indicated in your integration that
7 you will become the program director of the station if
8 you are awarded a construction permit.

9 Is that correct?

10 A That is correct.

11 Q Okay, would you tell us what kind of
12 programming you will have in the station?

13 A In what area?

14 Q As program director, what will be the
15 specific role you will --

16 A My particular role? Well, you want my
17 particular role in the station as the program director?

18 Q Yes.

19 A I will supervise the personnel, the on-air
20 personnel. I will make the decisions concerning
21 programming. I will share the hiring of the employees
22 with my husband, but I will directly supervise all of
23 the on-air personnel as well as the news director and
24 the public affairs director.

25 Q Mrs. Matthews, do you have experience as far

1 as broadcasting or as program director?

2 A As program director working in a radio
3 station, no I do not.

4 Q So how do you intend to fill that position if
5 you be given the construction permit or fulfill your
6 function properly?

7 A Well, one of the ways I definitely intend to
8 do that is if we're awarded the construction permit, it
9 will take a while and I have time to pursue classes at
10 our local junior college.

11 I can take classes in broadcasting and even
12 get a degree in broadcasting, which is one of my goals.
13 Because I recognize that I don't have a lot of
14 broadcasting skills. So to take a course or a couple
15 of courses would not be a problem.

16 Q When did you learn that Mr. Wiseman was
17 getting out from the limited partnership?

18 A I believe it was early 1990.

19 Q And did Mr. Wiseman talk to you directly
20 about his leaving the partnership?

21 A We had one conversation, but it was, as I
22 indicated before, it was after Fred had already let me
23 know that he wanted to get out. Mr. Wiseman called and
24 we had a brief conversation about it at that time.

25 Q In your conversation, did he give you a

1 reason why he was leaving the partnership?

2 A Just that he wanted to pursue other
3 interests.

4 Q In your function as program director, you
5 mentioned about some programming for public affairs in
6 your deposition in June.

7 Would you tell the court what kind of public
8 affairs programming you will implement at the station?

9 A Well, basically, the kind of programming that
10 I'm looking at would definitely deal with the needs of
11 our community. We have a number of social problems
12 that aren't being addressed currently and we would seek
13 to address those through talk call-in shows. We would
14 seek to get nationally syndicated shows, some of them
15 run maybe five minutes or ten minutes.

16 Ben Hooks does something, I think five or ten
17 minutes. So we would seek to try to integrate a social
18 awareness type of program, because we do have needs
19 that aren't currently being addressed.

20 Q In your present employment, what is your
21 specific function right now?

22 A At Sears?

23 Q Yes.

24 A I am a bankruptcy clerk.

25 Q What's the function?

1 A What does a bankruptcy clerk do? If a person
2 filed bankruptcy and they have a Sears account, as one
3 of the creditors, we're notified that that person has
4 filed bankruptcy.

5 We at that point, begin to what we call work
6 the file. We get the file ready to go to court. We
7 try to work out something between us and the lawyer to
8 see if the customer wants to keep the account, work out
9 payment arrangements. If the customer doesn't want to
10 keep the account, then we make arrangements to pick up
11 the merchandise or whatever.

12 So it's -- I don't go to court on the
13 accounts, I simply get them ready to go to court and
14 try to work with the customer either to get the
15 merchandise back or to get us paid.

16 Q How long have you been doing this?

17 A I've been there a little over a year.

18 MR. HALAGAO: No further questions, Your
19 Honor.

20 JUDGE LUTON: Mr. White?

21 MR. WHITE: No questions, Your Honor.

22 JUDGE LUTON: Redirect?

23 REDIRECT EXAMINATION

24 BY MR. HONIG:

25 Q A moment ago, when Mr. Halagao was asking you

1 about public affairs programming, in your answer you
2 made reference to the needs of, I think you used the
3 words, our community.

4 Would you identify with more specificity what
5 you're referring to by our community.

6 A Our community means the Baldwin and
7 Jacksonville area. Baldwin is a part of Jacksonville.
8 In other words, Baldwin is surrounded by Jacksonville.
9 So some of the same needs of Jacksonville are those of
10 Baldwin or vice versa.

11 MR. HONIG: No further questions.

12 JUDGE LUTON: Recross?

13 MR. WINSTON: None, Your Honor.

14 JUDGE LUTON: Thank you, Mrs. Matthews.

15 (Witness excused)

16 JUDGE LUTON: Any more witnesses, Mr. Honig?
17 Is that all your witnesses?

18 MR. HONIG: Yes, it is.

19 JUDGE LUTON: The next one is Northeast
20 Florida.

21 Raise your right hand please.

22 Whereupon,

23 LILLIAN HOLT

24 was called as a witness and, having first been duly
25 sworn, was examined and testified as follows:

1 JUDGE LUTON: Please be seated.

2 MR. WINSTON: I've placed in front of the
3 court reporter documents I'd like to have marked as
4 Northeast Florida Broadcasting Corp. exhibits.

5 The first consists of a five-page exhibit,
6 which I'd like to have marked as Northeast Florida
7 Exhibit number 1, consisting of four pages of text and
8 a declaration, entitled structure of applicant.

9 (The document referred to
10 above was marked Northeast
11 Florida Exhibit No. 1 for
12 identification.)

13 MR. WINSTON: Next, I'd like to have marked
14 as Northeast Florida Exhibit number 2 a three-page
15 exhibit and declaration attached. I'd like to have
16 that marked as Northeast Florida Exhibit 2.

17 (The document referred to
18 above was marked Northeast
19 Florida Exhibit No. 2 for
20 identification.)

21 MR. WINSTON: Actually, it's a five-page
22 document, because there's an attachment and a
23 declaration. There are two separate declarations. I
24 need to clarify that on the record.

25 Next I'd like to have marked as Northeast

1 Florida Exhibit number 3 a document -- I apologize,
2 Your Honor, I seem to have a little -- the pages have
3 not been numbered in this document, Your Honor. It's
4 Northeast Florida -- it begins with a document from the
5 State of Delaware office of the Secretary of the State.
6 I should be identified as the top, Northeast Florida
7 Exhibit number 3. And the individuals pages I will
8 number at this time.

9 (The document referred to
10 above was marked Northeast
11 Florida Exhibit No. 3 for
12 identification.)

13 MR. WINSTON: I'd like to have that 18-page
14 document marked as exhibit number 3, Your Honor.

15 Then next would be document with a cover
16 page, Northeast Florida Exhibit number 4, consisting of
17 three maps and a declaration signed by Clyde E. Gurley.
18 I'd like to have that marked as Northeast Florida
19 Exhibit number 4.

20 (The document referred to
21 above was marked Northeast
22 Florida Exhibit No. 4 for
23 identification.)

24 MR. WINSTON: I'll set all of those documents
25 in front of the witness.

1 DIRECT EXAMINATION

2 BY MR. WINSTON:

3 Q Ms. Holt, please state your full name for the
4 record?

5 A Lillian Holt.

6 Q And where do you reside?

7 A 2567 College Street, Jacksonville, Florida.

8 Q I've placed in front of your four documents,
9 Ms. Holt. Would you look at the first one, Northeast
10 Florida Exhibit number 1, consisting of a five-page
11 document, including a declaration at the end.

12 Would you look at that document and look at
13 the signature at the end?

14 A I've read it.

15 Q Do you recognize that document?

16 A Yes.

17 Q And was it prepared under your direction?

18 A Yes, it was.

19 Q Is that your signature at the end?

20 A Yes, it is.

21 Q Next, I'll show you a document that's been
22 marked as exhibit number -- all right, let me move the
23 admission of exhibit number 1 at this time.

24 JUDGE LUTON: Any objection to number 1?

25 MR. HONIG: I have a number of objections,

1 Your Honor.

2 JUDGE LUTON: State them.

3 MR. HONIG: First, and maybe counsel can
4 clear this up. On Paragraph Three, there appears to be
5 a discrepancy relating to the number of voting shares
6 Ms. Holt owns. I believe the integration statement
7 stated that she owned 250. This states 100.

8 MR. WINSTON: The paragraph itself is
9 inconsistent. It is 250 in the second sentence and
10 there is a typo there. That should be corrected to
11 make the paragraph itself consistent. It should be 250
12 in both places. It's just a typo.

13 MR. HONIG: If that correction can be made,
14 I'll stipulate to it.

15 JUDGE LUTON: Two fifty in which two places?

16 MR. WINSTON: Okay. The second sentence,
17 line three, the corporation's authorized to issue a
18 total of 250 shares of voting common stock. And in the
19 indented portion because Lillian Holt's name, it says
20 shares and it says 100. Both of those should say 250.

21 JUDGE LUTON: All right.

22 MR. HONIG: Next, Your Honor, I object to
23 Paragraph number 4. It does not describe the ownership
24 structure. It is a legal conclusion as to the
25 applicant's authority. The proper statement of the

1 ownership structure was complete in Paragraph Three. I
2 would move that Paragraph Four be stricken.

3 MR. WINSTON: I would simply describe it as
4 descriptive, Your Honor.

5 JUDGE LUTON: Mr. Honig, your objection seems
6 to be nothing more than the fact that four appears
7 under the heading, Ownership Structure, even though it
8 doesn't describe an ownership structure.

9 MR. HONIG: I think it states more than that.
10 I also object because it --

11 JUDGE LUTON: Is this a different objection
12 you're making now?

13 MR. HONIG: Yes, it's two objections. My
14 principle objection is that it states a legal
15 conclusion and thus, isn't proper direct testimony.

16 MR. WINSTON: Same response, Your Honor,
17 that's it's descriptive.

18 JUDGE LUTON: It's also harmless, whether --
19 overruled.

20 MR. HONIG: I have the same objection to the
21 first sentence of Paragraph Five, although I don't
22 object to the remainder of Paragraph Five coming in.

23 JUDGE LUTON: All right. I'm going to strike
24 that sentence. This is a matter that this hearing is
25 about. I don't really needs the applicant's

1 conclusion; I just need the facts. The first sentence
2 is stricken.

3 MR. HONIG: Then on Page Three, I'm going to
4 have to ask that Paragraph Seven be stricken and it
5 would take a second to explain why, Your Honor.

6 In the applicant's integration statement,
7 which was filed on May 10th, the applicant then claimed
8 that her residence was within the 70 DBU contour that
9 appeared in the integration statement, second page.

10 In the application itself, there is another
11 statement which simply is, and it's Exhibit B, that Ms.
12 Holt has resided within Jacksonville, Florida and will
13 claim service area local residence credit.

14 There is yet a third representation in
15 Exhibit 1, which is that she has resided within the 1
16 millivolt per meter contour of the proposed facility
17 since February 1985.

18 In Exhibit 2, which we're coming to, on Page
19 Two, there is yet a fourth representation, which is
20 that her residence may be outside the one millivolt per
21 meter contour or that she will relocate to a residence
22 that is within in. I should point out that her pledge
23 in exhibit 1 is just to continue residing in
24 Jacksonville, Florida.

25 And finally, we've just been given yesterday,

1 at the start of the hearing, without any special motion
2 to accept it late, in exhibit 4, which shows what
3 appear to be three different residences, two of them
4 appearing within the 60 DBU, none appearing within the
5 70 DBU and 1 appearing outside the 60 DBU, but there's
6 no indication of how far away or even because it's a
7 box here, nor could it be measured from examination.

8 Since there are five different inconsistent
9 statements concerning local residence, including one
10 that has been provided late without motion, I think
11 that's it's simply too uncertain to give any credit in
12 any reference in this exhibit and I would also have
13 exhibit 2, local residence credit, stricken. The
14 witness certainly can be expected to know where she
15 lives.

16 MR. WINSTON: Your Honor, with respect to
17 exhibit -- the only exhibit in front of us right now is
18 exhibit one. I'm willing to have that paragraph
19 stricken.

20 MR. HONIG: Your Honor, I would object to
21 striking this without striking all of those references,
22 because otherwise we would have a comparative upgrade.

23 MR. WINSTON: I don't believe there's any
24 upgrade at issue here, Your Honor.

25 MR. HONIG: The reason is --

1 MR. WINSTON: I think there is some
2 clarification that's needed, but I don't think there's
3 any upgrade being attempted.

4 MR. HONIG: The reason is that if this is
5 stricken and the later reference in exhibit two is left
6 in, then the question is, why did the applicant claim
7 in the same set of exhibits to be within the one
8 millivolt per meter, sign that, then say she didn't
9 know, sign that, then submit something that you can't
10 figure out and there are two different representations
11 each filed earlier, one that she was in one contour and
12 the other that she was somewhere in Jacksonville.

13 MR. WINSTON: Your Honor, I think if we limit
14 it to one exhibit, the other exhibits I think we need
15 to take up separately. If his objection is to the
16 language in exhibit number 1, we can address that. And
17 his request for a motion to strike, I'll willing to
18 concede to strike that.

19 JUDGE LUTON: Mr. Honig, you're asking me at
20 this point to rule on exhibits that have not been
21 offered, are you?

22 MR. HONIG: Actually, I am -- I guess I am,
23 Your Honor. I'm noting that there are three
24 inconsistent representations in these exhibits. We're
25 only gotten to this one. And two earlier inconsistent